



Coyote Valley Development Will Result in Demand for 11,000 to 27,000 Homes Outside of Coyote Valley

**Total unplanned, external impact from development may exceed the impact from planned development in
Coyote Valley**

July 29, 2004

While it is not at all clear that San Jose needs the commercial housing space it is proposing in Coyote Valley, taking the City's claim that the space will be used at face value means a tremendous increase in housing demand outside of Coyote Valley.

While the City has made no attempt to estimate that demand, Greenbelt Alliance has made a very laudable first attempt to calculate the increased housing demand in the appendix to its publication, "Getting It Right." Given the parameters of 50,000 technology jobs, 1.6 jobs per household using the City average, 7.6% non-working households in Coyote Valley (using the City average), and an estimate of 3,000 additional retail/service jobs (no source given for this estimate), Greenbelt estimated an excess demand of 10,200 housing units outside of Coyote Valley.

Greenbelt is being extremely conservative in its calculations, which do not appear to include non-working households created outside of Coyote Valley as a result of Coyote Valley development, nor housing demand from service/retail jobs serving the over 10,000 homes outside of Coyote Valley. Adding both of those create a total demand exceeding 11,000 homes outside of Coyote Valley.

Two other factors result in a potential undercount of housing demand: the artificially high jobs-per-household figure in San Jose, and potentially misplaced confidence in San Jose's estimate of the number of technology jobs that result from the floor area it plans to allow. San Jose's high jobs-per-household ratio is not replicated in other cities, nor is it likely to be replicated in the relatively small units that will be built in Coyote Valley. If we assume a more normal figure of 1.3 jobs per household, the Committee for Green Foothills calculates an outside-the-valley demand of 19,000 units.

If San Jose has at all underestimated the jobs created from permitted floor space, the outside-the-valley demand created is even greater. If 20% more jobs are created from industrial development than the City anticipates, the extra 10,000 jobs will require 7,700 homes at the 1.3 jobs-per-household level, plus an additional 580 non-working households. Even excluding additional service/retail jobs, a reasonable total figure outside of Coyote Valley is over 27,000 units, or more than are planned for Coyote Valley.

The Committee for Green Foothills welcomes consideration of these figures by City officials. We welcome still more any attempts to actually plan for the effects this demand will have on the City and on surrounding communities.